

**National Park Service
Office of the Director
Washington, DC**

**FY 2004 Challenge Cost Share Program
Guidelines and Procedures**

January 2004

PURPOSE AND SCOPE

The Challenge Cost-Share Program (CCSP), seeks to support increased participation by neighboring communities and qualified partners in the preservation and improvement of National Park Service natural, cultural, and recreational resources; and in all other authorized Service programs and activities--both outside or inside park lands, and on national trails as defined under the National Trails System Act (16 U.S.C. 1241-51).

Applications are invited for FY 2004 CCSP awards in three categories: 1) Regular CCSP Projects; 2) National Trails System CCSP Projects; and, 3) Lewis and Clark CCSP Projects.

GENERAL INFORMATION

1. **AUTHORIZATION:** FY 2004 Appropriations Act, P.L. 108-108.
2. **ALLOCATIONS:** For FY 2004, the amounts allocated are shown in Attachment A.
3. **AVAILABILITY OF FUNDS:** FY 2004 CCSP funds will be transferred to Regional Directors in a "lump sum" via Allotment Advice.
4. **SIZE OF CCSP SHARE:** The maximum Federal share for Regular Projects and National Trails System Projects is \$30,000. The maximum Federal share for Lewis and Clark Projects is \$250,000. An equal amount of eligible and allowable matching share of cash, goods, or services from non-Federal sources is required.
5. **PROJECT SELECTION:** With the exception of those projects selected by the Director, project proposals are forwarded by parks, centers, and/or program offices for competitive selection by the Regional Directors. Projects selected are generally those able to be completed within one year.
6. **NPS ADMINISTRATIVE EXPENSES:** Each Region may use up to \$5,000 of its total Regional allocation to offset project review, selection costs, and/or administration.
7. **DECISION TIMEFRAME:** All projects must be selected by no later than **July 1, 2004**.

PROJECT APPLICATION

The project application form is included as Attachment B. It is largely self-explanatory.

SELECTION CRITERIA

To be eligible for competitive evaluation for all CCSP categories, the applicant must meet the following selection criteria. It is recommended that Regional Offices include the selection criteria in the announcement of funding availability.

1. **PROPOSED PROJECT MEETS A CRITICAL NEED:** The proposal can demonstrate that, if funded, the project will address or mitigate a critical need or issue faced by the park or by other sites or segments of our population by achieving a product or result.
2. **PARTNER PARTICIPATION:** The proposal ensures and demonstrates active and full support, partnership, sponsorship, and participation by non-NPS entities ensuring a strong collaborative effort. All parties involved in the project benefit from its completion with work potentially strengthening a cooperative relationship between NPS and the partner(s). NOTE: Supporting letters from potential partners must accompany the proposal to document their willingness to participate in the project if funded.
3. **COST-EFFECTIVE:** The budget narrative details sufficient, necessary, and reasonably valued costs for materials and services to complete proposed work within the scheduled time frame.
4. **EQUAL OR GREATER ELIGIBLE NON-FEDERAL CONTRIBUTION:** The non-Federal contribution(s) is at least 50% of the CCSP share and all costs detailed in the budget narrative are directly related, necessary, eligible, and properly valued in accordance with 43 CFR 12. (See ELIGIBLE COSTS AND VALUATION.) The contribution may be cash or in-kind.
5. **COMPLETE APPLICATION PACKAGE:** The application proposal must be complete.
6. **PROJECT COMPLETION FORM:** If applicable, the applicant has submitted a Project Completion Form or Project Status Form for a prior project. If one has not been received, or has been found unacceptable by the Regional Office CCSP Coordinator, then the proposal is not eligible for consideration for a new CCSP award until the deficiency is remedied.
7. **ADDITIONAL REGION-SPECIFIC SELECTION CRITERIA:** At a minimum, projects must meet the items listed above. However, Regional Directors may, at their discretion, develop additional criteria.

ELIGIBLE COSTS AND VALUATION

Project costs must be not only reasonable and necessary to complete project work, but must also be (a) allowable; and (b) valued according to the appropriate Office of Management and Budget Circular cost principles (Department of the Interior regulations at 43 CFR 12). Grants staff in Regional Offices are familiar with these Circulars.¹ The following are important basic elements:

¹ It is strongly recommended that a grants or contracting official who is experienced in applying OMB Circulars to proposal budgets be appointed to, or be made available to, the selection panel. This official should be finally responsible for verifying the eligibility and reasonableness of proposed budgeted Federal AND non-Federal costs. This person's name, phone and fax number should be in the CCSP announcement.

1. Allowable in-kind (non-cash) contributions are defined in OMB Circulars:

- A-87 -- for Agreements with governments;
- A-122 -- for Agreements with non-profits; or
- A-21 -- for Agreements with educational institutions.

Matching share is also covered in OMB Circulars A-110, codified in 43 CFR 12.923 (administrative requirements for universities or non-profits) and A-102, codified in 43 CFR 12.64 (for governments and Indian tribes).

2. Non-Federal partner matching share must be cash or goods, volunteer labor or services, equipment, or other necessary items that would have had to be purchased to carry out the project if it were not contributed. For example:

- a. *Donated supplies or loaned equipment:* If a partner donates supplies, the contribution is valued at the market value of the supplies at the time of donation. If the partner donates equipment, but retains title, the contribution is valued at the fair market rental value of the equipment.
- b. *Volunteer services:* In brief, donated services are valued at the rate for "similar work." That is:
 - (1) In-kind services provided by a government or university partner is valued according to rates paid by the partner to its employees for performing similar work. If the partner does not have employees performing similar work, the applicable rate is that paid by other employers for similar work in the labor market in which the partner competes for services.
 - (2) If other organizations other than the partner provides at no cost the services of an employee, these services are valued at the employee's regular rate of pay (except fringe benefits and overhead), provided the services are in the same line of work for which the employee normally is paid. If the services are in a different line of work, then the rules for volunteer work apply.

3. Federal funds cannot match Federal funds. To be counted as matching funds, the contribution may come from any non-Federal government entity, private individual or organization, charitable group, or private business. Funds provided directly from Federal sources or Federal agencies are NOT ELIGIBLE to be "counted" as matching share or cost-sharing, but these contributions may be separately listed to the extent those contributions relate to the overall costs of the project.

4. Generally, CCSP money shall not be used to fund "regular" ONPS activity. This includes routine maintenance or other normally budgeted park operational activity. The following is not to be charged to a CCSP project:

- a. Salaries or wages or day labor of National Park Service staff, including supervisory costs;
- b. NPS travel unless part of the project work plan;
- c. Capital equipment; and
- d. Computer equipment purchase unless justified in the application.

5. Where CCSP funding is part of a larger project, only the scope of work of the CCSP project should be considered in calculating the matching share amount to be applied to CCSP.

DOCUMENTATION AND REPORTING REQUIREMENTS

1. **CREDIT AND VISIBILITY:** In cases where CCSP funds are awarded to develop publications, videos, pamphlets, displays, exhibits, and signs and/or the recipient disseminates the findings or products developed from the project in professional journals, books, film, videos, or conferences, a copy must be sent to the park, Regional Office, National Trail CCSP Coordinator, or National CCSP Coordinator as soon as these become available, even if they appear after completion of project work. There are no restrictions on these publications other than the requirement to include the following acknowledgement and disclaimer in such publications:

This [research][project][exhibit] was supported by the National Park Service's Challenge Cost Share Program. Points of view are those of the author(s) and do not necessarily represent the position of the Department of the Interior.

2. **AGREEMENT INSTRUMENTS:** A Memorandum of Understanding (MOU) or the CCSP application can be used as an initial Partnership Agreement to establish the relationship and the intent of the partnership (i.e., type of project to be undertaken). But if CCSP funds are transferred to a partner, a cooperative agreement or a contract must be used. An SF 424 is also required.

Public Law 104-208, the Omnibus Consolidated Appropriations Act of 1997, gave broad authority to NPS to use cooperative agreements. The Act states:

The National Park Service may in fiscal year 1997 and thereafter enter into cooperative agreements that involve the transfer of National Park Service appropriated funds to State, local and tribal governments, other public entities, educational institutions, and private nonprofit organizations for the public purpose of carrying out National Park Service programs pursuant to 31 U.S.C. 6305

Also, under P.L. 104-333 (16 U.S.C. 1f), NPS now has permanent authority to enter into challenge cost-share agreements. A "challenge cost-share agreement" is defined as any agreement entered into . . . for the purpose of sharing costs or services in carrying out authorized functions and responsibilities of the Secretary . . . with any unit or program of the National Park System . . . , any affiliated area, or any designated or National Scenic or Historic Trail.

Therefore, in accordance with 31 U.S.C. 6305 and the expanded authority provided in P.L. 104-208, if CCSP funds are to be awarded to an eligible third party, a cooperative agreement may be used even when the project directly benefits the NPS, provided the "tests" of: substantial involvement by NPS in the project, and of the project involving a "public purpose" are met.

- a. **SPECIFYING NPS' SUBSTANTIAL INVOLVEMENT:** If the "tests" are met, both the partner's CCSP work and NPS' substantial involvement are to be clearly stated in the CCSP application so that, if funds are transferred to the partner's organization, NPS' substantial involvement can be stated in the cooperative agreement.

The following is the *minimum* NPS role that may justify substantial involvement:

- ◆ NPS will assign (name and title) as project manager to work with (name of applicant) to coordinate NPS' role in the project.
- ◆ NPS will assign the following personnel to work on the project:
[Cite numbers of personnel, titles or relevant skills, and other details necessary to describe the skills NPS will provide to the project.]
- ◆ NPS will perform the following activities and tasks:
[List activities and tasks in measurable terms.]

It is recommended that the partner's objectives, major work activities and schedule be inserted into the agreement; and the approved budget be inserted into or attached to the cooperative agreement.

- b. **MODEL COOPERATIVE AGREEMENT:** Chapter 8 of the NPS Agreements Handbook includes a sample CCSP cooperative agreement. Everyone using a cooperative agreement for CCSP should use this model as a guideline. Contact the Regional Contract Officer or the WASO CCSP Coordinator for a copy. It may also be found on the web at <http://www.nps.gov/hfc/acquisition/agreements.htm>.

NOTE: It is not necessary to require a completed cooperative agreement (or contract) prior to selecting a project for funding. However, the cooperative agreement or contract must be executed before the applicant receives funds.

3. **SUMMARY OF FY 2004 FUNDED PROJECTS:** A record of all FY 2004 projects selected for funding is to be sent to the National CCSP Coordinator not later than **July 31, 2004**. Please note the minimum reporting information requested: project title, park unit(s) or NPS program, non-federal partner(s), federal contribution (CCSP allocation), non-federal share, and the total project cost. This information is used in the annual budget justification for CCSP as well as in Administration and congressional reporting.

PROJECT COMPLETION FORMS

The one-page Project Completion Form (Attachment C) is intended to show that funds were accounted for, spent for planned results, and to give information for publicizing CCSP results.

1. **PRIOR YEAR PROJECTS:** Regional Offices are expected to receive and maintain Project Completion Forms (see Attachment C) for all funded CCSP projects. Upon receipt, Regions are to ensure that the Form is complete and accurate.
2. **PHASED PROJECTS:** For those projects for which (1) planned work has not been completed during the CCSP "year" for whatever reason; or (2) work was intended to be phased or staged, the Regional Offices should use its own one-page "Project Status Form." The Form should state (1) what planned results or deliverables have been completed; (2) causes of any delays; (3) how much of the CCSP and matching funds have been expended, and the balances remaining; (4) what results or deliverables remain; and (5) expected (revised) completion dates.

A Project Completion Form must be completed when work is done and forwarded to the National CCSP Coordinator.

REDISTRIBUTION OF FUNDS

If an NPS Office or selected partner(s) are unable to carry out their project at the time that funds are to be awarded, the funds should be allocated by the Regional Director or Associate Director (as appropriate) to the next priority project that can be accomplished with the available funds.

UNOBLIGATED FUNDS: If a Regional Office cannot obligate its total amount for CCSP projects in whatever mix is allocated, please notify the National CCSP Coordinator by **July 31, 2004**, so that the balance may be re-programmed to other Regions with greater need.

NATIONAL CCSP PROJECT COORDINATION

Inquiries about this transmittal, administrative requirements, and the Summary of Funded Projects should be directed to the National CCSP Coordinators:

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